

Annex B-11
Actual Results Compared to Benchmarks for the 2000 CAS Progress Report

Area	Benchmark	Outcome
<i>Poverty and Human Development</i> Poverty	Unemployment rate < 15% by 2002. Popn. below \$1/day <38% by 2002. Popn. below \$2/day <70% by 2002.	Met. Unemployment rate 8.5%. Met. Extreme poverty rate is 25%. Met. Poverty rate is 51%.
Education	Dropout rates betw. 1 st and 6 th grades <40% of enrollment by 2002. Expenditure allocated to education >3.5% of GDP by 2002.	Not met. The sum of dropout rates per cohort for grades 1 through 6 is 45.1%. Not met. But expenditure allocation increased to 2.8% of GDP.
Health and Nutrition	Child malnutrition <17% by 2002. Public expenditure allocated to health >3% of GDP by 2002.	Not met. One-third of children are stunted. Not met. Current allocation is 1.6% of GDP.
Water and Sanitation	Water supply service in rural area >40% of popn. By 2002. Rationalization of tariffs by 2002.	Not met. >60% of rural homes have access to safe water, but only 39% have piped water. Not met, except in a few local municipalities.
Social Protection	Consolidating programs and maintaining agreed spending levels on priority programs. Social safety net programs consolidated into less than 7 programs by 2002 and reaching at least 50% of the extreme poor. Social safety net reaching at least 2 million poor children and pregnant women.	Consolidation not met. Maintaining priority spending met, allowing disbursement of SAL. Consolidation not met. <i>Bono solidario</i> does reach 800,000 poor beneficiaries, but data on proportion of these who are extreme poor are not available. Not met. Actual outreach data not available, but condition known not to be met.
Gender	Gross primary enrollment gap (M-F) <1. Female participation in labor force >27% by 2002.	Met. Gross primary enrollment is 116.4, with M-F gap of -0.2. N/A. Latest confirmed available figure is 26.4% for 1999.
<i>Macroeconomic Stability and Growth for Poverty Reduction</i> Macroeconomic Management	Inflation equal to or less than 5% by 2002. Fiscal deficit as % of GDP < 4%. Public external debt as % of GDP <100%.	Not met. Y-o-y Inflation in Dec. 2002 was 9.3%. Met. Primary surplus = 1% of GDP. Met. Public external debt/GDP = 46%, total public debt/GDP = 58% in 2002.
Infrastructure and the Private Sector: Telecommunications and Energy	Coverage: more than 7 phone lines per 100 inhabitants by 2002. Creation of autonomous regulatory agency and submission to Congress of framework law to authorize privatization of ANDINATEL and PACIFICTEL by 2002. Tariff adjustment rules and levels covering at least 80% of economic cost by 2002. Submission to Congress of framework laws to increase private sector participation in electricity and hydrocarbons by 2002.	Met. Current coverage is 15 lines per 100 inhabitants. Not met. There are still four regulatory bodies for telecommunications. Law permits privatization, but decision taken <i>not</i> to privatize. But private entry in WLL, PCS, and cellular markets facilitated. Met for electricity sector (86% of economic cost covered). Not met for local fixed-line phone costs. Partly Met. Omnibus legislation in 2002 authorized participation in electricity and hydrocarbons but questioned by Constitutional Tribunal. Status uncertain in both industries.

Annex B-11 (continued)
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Area	Benchmark	Outcome
Financial system	<p>Capital adequacy of private commercial banks to Basle standards by 2002.</p> <p>Rate of asset recovery of intervened banks >15% by 2002.</p> <p>Satisfactory progress on strengthening supervisory capacity of the Superintendency of Banks.</p>	<p>Not met, but on track for completion by December 2003.</p> <p>Met. Approximately 15% recovered and another 45% successfully restructured.</p> <p>Progress satisfactory, except for need to strengthen legal protection for banking supervisors.</p>
<i>Sustainable Development and Poverty Reduction</i>		
Peace and Development	Establish binational ecological park and binational fund by 2001.	Met. Binational fund established and ecological park being established.
Judiciary System	Satisfactory progress on strengthening admin. of justice through training of judges and lawyers by 2002.	Partly met. Training of judges and lawyers advanced in part by Judicial Reform loan, but a broader program is required.
Institutions and Corruption	ICRG (<i>International Country Risk Guide</i>) corruption index >5.0 by 2002.	Not Met. Latest available ICRG corruption index (Feb.03) is 3.0.
Rural Development and the Environment	<p>Deforestation rate <2% of rainforest per year by 2002.</p> <p>Reduction of 10% of transaction cost for land title registration by 2002.</p>	<p>Precise data not available, but deforestation continues to be rapid. Benchmark likely not met.</p> <p style="text-align: center;">Not Met.</p>